

**CITY OF BRIDGEPORT
CONTRACTS COMMITTEE
TUESDAY, APRIL 8, 2014
6:00 PM**

ATTENDANCE: Co-chair DeJesus; Council members: Paoletto, Castillo,
**Brannelly, *Council President McCarthy

NON-COMMITTEE: Torres

**sat in to make a quorum prior to Council member Brannelly's arrival*

***arrived at 6:15 pm.*

CITY STAFF: Associate City Attorney Pacacha; Bill Coleman, OPED;

OTHER(s): P. Mize, Airport Manager
A. Kelly-Lenz, Finance Director; Veronica Jones, Tax Collector
Larry Osborne, Labor Relations Director; Richard Weiner, Benefits
Manager

Co-chair DeJesus called the meeting to order at 6:06 pm.

Approval of Committee Minutes of February 11, 2014.

**** COUNCIL MEMBER PAOLETTO MOVED TO ACCEPT THE MINUTES**

**** COUNCIL PRESIDENT McCARTHY SECONDED**

**** MOTION PASSED UNANIMOUSLY**

44-13 Assignment of Tax liens for the Fiscal Year 2014.

Ms. Lenz gave an overview that every year; they come before the city council to make a request to sell liens for anyone that is delinquent on real estate. She explained that the owner of the property receives a certain time period to pay the tax and if it's not paid, a lien is placed on the property. After a lien is placed, they put out an RFP for bids and compile the lien sale as a group. She further explained that whatever is left goes out to be sold to a lien servicing company and they close on selling the liens in June. She commented that the liens list at the amount of \$4 million and by the time they are sold, the amount will be at \$2.5 million. The purpose is to sell the liens within the fiscal year and they are considered clean liens. They are sold to a company and the city needs to receive 100% of it with a slight premium and they receive the money in the year it's required. She clarified

that the company that buys the liens can't charge anymore interest than 1.5% per month and the only time a person will see a fee is if the matter goes to foreclosure and then, they have the opportunity to work it out with the payment company.

Council member Torres asked the reason they have to sell the liens. He emphasized that there could be money made by a business, rather than allow the selling of a lien. Ms. Lenz responded that the difference is that the longer the person takes to pay, they're getting the benefit; however, for the city it becomes a deficit.

Council member Torres questioned why the company can see the benefit and the city can't. Ms. Lenz said they can't afford to have a deficit and when they start tapping into the fund balance, it's not the most prudent thing to do; she stressed that doing this can have detrimental results year end.

Council member Torres relayed that some of these lien companies practice unscrupulous practices. Ms. Lenz stated that most of the firms that have handled the city's liens have been reputable, noting that they haven't received many complaints at all.

Council member Torres made a request to find out what the fees are, noting that it's important to represent the constituents. He also questioned if he can find out which lien company will be used. Ms. Lenz said it's the same company that they have used every year and it's based on who submits the best bid.

**** COUNCIL MEMBER PAOLETTO MOVED TO APPROVE**

**** COUNCIL PRESIDENT McCARTHY SECONDED**

**** MOTION PASSED UNANIMOUSLY**

***Consent calendar**

50-13 Proposed Contract of Sale with the Boys and Girls Club of Bridgeport, Inc.

Bill Coleman, OPED distributed information related to the Contract of Sale between the city and the Boys and Girls Club of Bridgeport, Inc. He also submitted the resolution that was drafted and outlined the history of the deal and the appraised value and funding source - *it was stated that the Contract of Sale was the exact duplicate of what was previously submitted*. He submitted a map that denoted the parcel in red.

Mr. Coleman relayed that the item was before the public for a number of years for the property located at 555 Madison Avenue. The building has been unused and it's dilapidated. He updated that negotiations were pursued for some time regarding the acquisition of the property that was appraised at \$1,350,000, noting that this amount was talked down and the offer to purchase is \$980,000 which is a lesser percentage of the appraised value. He stated that the funding source is LOSIT and they were awarded during March 2014 in the amount of \$2.2 million to acquire and rehabilitate the building. He commented that another piece of the puzzle occurred back in January 2000, when they were awarded \$2.8 million by the state through the Department of Social Services; however, the money was never used. There was some discussion of how not to lose the money and during 2012; the money was reallocated to the Cardinal Sheehan Center for the renovation of the facility. He pointed out that they have a reasonable number on the purchase price – *per the costs outlined* for the 28,000 square foot building.

Council President McCarthy stated that the Boys and Girls Club is located in his district. He relayed that the matter has been driving him crazy due to non-use of the property and he emphasized that now it was time to reopen the building for the kids in the community. He pointed out that there are 1,000 students at Central High School with nowhere to go after school and the building has all sorts of facilities that aren't being used for the students. He recalled that there were many intense negotiations and the purchase of the building is what came out of the negotiations. He added that at the end of the day, the \$900k of state money will flow right back into the Orchid Club that will also be stabilized and revitalized. Overall, the project will result in generating tax money for the city. He urged approval of the item.

Council member Torres asked if Cardinal Sheehan Center will operate the Boys and Girls Club. Council President McCarthy clarified that all they were doing tonight was getting the building approved to revitalize it and anything that happens in the building will have to come before the city council. He mentioned that the Cardinal Sheehan Center is very interested and according to Terry O'Connor; he's looking to help the kids in the city and he's willing to do whatever to move forward. He noted that the Boys and Girls Club is a local non-profit and they used to be affiliated with the national organization and they are a legitimate organization.

Council member Brannelly asked about the nature of the building and the commitment of the LOCIT funds in reference to the \$2.2 million and \$2.8 million funding sources. She questioned if there is a commitment as to what the funds have to be used for and if it will be possible to sell the building once it's rehabilitated. Mr. Coleman responded that it has to be used to produce genuine capital. He explained that the \$2.2 million has to be used to acquire and

rehabilitate the building and the \$2.8 million is just for rehabilitating the building. However, it can be used for anything construction related on the building. Council member Brannelly asked then if the building could be sold and then a daycare can go in. Mr. Coleman read a portion of a document that outlined the “youth facility” use.

Council member Brannelly clarified that her questions pertained to the possibility that if Cardinal Sheehan Center subsequently determines that the project won’t work and then the monies are spent; will it be viable to sell for another purpose. Mr. Coleman said he wasn’t sure if there is any prohibition of a sale. However, the city will have a lot to say about the use of dollars being on the front end and in a good position to do so. As far as the ECDE side, it could be sold for another purpose, but he wasn’t sure if they would be able to flip it for another purpose.

Council member Brannelly asked if it was correct that there is a city match without having to match it with city funds. Mr. Coleman said that was correct.

**** COUNCIL MEMBER PAOLETTO MOVED TO APPROVE**

**** COUNCIL MEMBER McCARTHY SECONDED**

**** MOTION PASSED UNANIMOUSLY**

***Consent calendar**

****It was noted that there will be further discussion regarding this item in the near future.***

58-13 Proposed Hangar Lease Agreement with the Connecticut Aerospace Hall of Fame and Museum, Inc. for the location of the Connecticut Air & Space Center at Igor Sikorsky Memorial Airport.

Attorney Pacacha submitted the summary of the following documents: a) Hangar Lease Agreement b) Proposed resolution recommended for adoption tonight. He stated that Pauline Mize was present to discuss the lease. He also submitted c) Color-coded map denoted in the yellow area where the city will store the airplanes.

Ms. Mize explained that a static aircraft display consists of the parking position of the aircraft within the static display to determine which arrival window each aircraft must meet. She said there was a question why they don’t make aviation tie downs, so they decided they will give the city the opportunity to tie downing aircraft that they can charge rates for and the museum can use it for static displays.

Council member Paoletto referred to the yellow denoted area on the map. He asked how large the area is and how long can the aircraft remain there on a daily basis. Ms.

Mize responded that it depended on the size that they can fit in the area, noting that it could be between eight to ten aircraft per day that can be kept in-house to generate more revenue.

Council member Paoletto asked if the area they are looking to keep for the tie down area was outlined in the contract. Ms. Mize said yes, they have to give prior notice for its use.

Council member Torres said he visited the airport some time ago and he commented that the hangar is in horrific shape. He asked if it will cost the city anything to rehabilitate it. Ms. Mize said no. Council member Torres commented that he was in support of the item, noting that overall it's a good deal for Bridgeport. He asked the overall size of the area. Ms. Mize said it's slightly over an acre.

Council member Paoletto referred to page-9 of the contract – *as read*. He questioned if the information pertained to the entire 99-year lease. Attorney Pacacha replied that the intention of the document is to develop the hangar, but it's not typical in a landlord/tenant lease for a space lease. However, it's the agreement that was made with the tenant.

Council member Paoletto stated that he loved the organization and he was aware of what they were doing and what's been done; however, he said he felt that 98-years of paying electric was a concern. He asked if there was a cost estimate of what the amount would be. Attorney Pacacha said they didn't have the plans from the tenant of what they will do in terms of utilities or the costs. Council member Paoletto said he was uncomfortable with the committee blindly approving the contract without knowing more details about the 98-years lease aspect and not having information about the costs involved. He suggested that the contract be modified for the 98-years, noting that he would be comfortable with a two to three year stretch.

Council member Brannelly asked if they would consider the 98-year lease without utilities and perhaps consider five years. Council member Paoletto said he would propose two to three years and if they could modify the contract, he would reconsider the matter. Attorney Pacacha said it will need to be modified by the committee subject to agreement by the tenant. He further stated that the tenant has three years to build out and when they receive the Certificate of Occupancy (CO) is when the forgiveness period could start.

Council member Paoletto recommended a modification to the contract to read that they will have up to three (3) calendar years to complete and another two (2) years in operation following that time. Council member Torres agreed that some constraints should be applied to the agreement. **Council member Paoletto clarified that he**

would like to modify the contract to reflect a five year re-opener for the utility issue.

Attorney Pacacha drafted the modified language to the contract outlined in paragraph-15 - *the modification to the contract will be submitted to the city clerk's office on April 9, 2014.*

**** COUNCIL MEMBER PAOLETTO MOVED TO AMEND THE CONTRACT CONTINGENT UPON THE MODIFICATION MADE TO PARAGRAPH-15 PER ASSOCIATE ATTORNEY PACACHA'S SUBMITTAL TO THE CITY CLERK'S OFFICE**

**** COUNCIL MEMBER CASTILLO SECONDED**

**** MOTION PASSED UNANIMOUSLY**

**** COUNCIL MEMBER PAOLETTO MOVED TO APPROVE AS AMENDED**

**** CO-CHAIR DeJESUS SECONDED**

**** MOTION PASSED UNANIMOUSLY**

***Consent calendar**

**** COUNCIL MEMBER PAOLETTO MOVED TO SCHEDULE A PUBLIC HEARING PRIOR TO THE NEXT SCHEDULED CITY COUNCIL MEETING or ON A DATE TO BE DETERMINED BY THE CITY CLERK'S OFFICE**

**** COUNCIL MEMBER BRANNELLY SECONDED**

**** MOTION PASSED UNANIMOUSLY**

The following items were added to the agenda:

67-13 Firefighters Local 834

**** COUNCIL MEMBER PAOLETTO MOVED TO ADD ITEM 67-13 FIREFIGHTERS LOCAL 834 TO THE AGENDA**

**** CO-CHAIR DeJESUS SECONDED**

**** MOTION PASSED UNANIMOUSLY**

Larry Osborne distributed a) Tentative Agreement and a prepared listing of b) Highlights Fire TA.

Council member Paoletto relayed that the union already voted to ratify the agreement that was submitted. He further relayed that the union's job is to get the most for its members; just as it's the city's job to get the most for its residents. He expressed that he was satisfied with the agreement.

Council member Brannelly asked for details about the agreement. The union representative present explained that the budget doesn't change anything. He pointed out that the days will now be referred as "shifts" and there is no physical presence on the calendar that will now be designated as 91-days. He further explained that his shift change has been adopted by other municipalities in Connecticut and it will allow less exposure of sick days for firefighters and there won't be any additional expense.

Council member Brannelly asked how the 24-hour shift will work. The representative stated that previously, they worked three days on and three days off and with the 24-hour shift; they will start the workweek on Saturday and will be working two days of four shifts, so the configuration only changed.

**It was stated that Council member McCarthy would recuse from the discussion and the vote for this item.*

Mr. Osborne pointed out a minor correction on page-2 of the contract. He stated that **above Article 10; it should read "one hour shift"**.

**** COUNCIL MEMBER PAOLETTO MOVED TO APPROVE**

**** COUINCIL MEMBER BRANNELLY SECONDED**

**** MOTION PASSED UNANIMOUSLY**

***Consent calendar**

64-13 Agreement between Hartford Insurance and the City of Bridgeport

**** COUNCIL MEMBER PAOLETTO MOVED TO ADD ITEM 64-13 TO THE AGENDA**

**** COUNCIL MEMBER CASTILLO SECONDED**

**** MOTION PASSED UNANIMOUSLY**

Richard Weiner was present to represent the item. He submitted a copy of the contract.

**It was stated that Council President McCarthy would recuse from the discussion and the vote for this item.*

Mr. Weiner explained that the contract pertained to Medicare retirees for the Board of Education. He stated that the contract outlined the portion that Medicare doesn't pay. He further explained that with the advent of the Affordable Care Act; they went back to the contractual obligation to supplement medical benefits as it was outlined in the

contract. He noted that the amount is slightly in excess of \$2 million per year for two years.

Council member Brannelly asked what the premium consisted of. Mr. Weiner said it's a fully insured benefit and the cost is \$225.00 per month to pay for the full cost of the insurance.

Mr. Weiner explained that the advantage plan picked up more preventive health care expenses that the participants were pleased about.

Council member Brannelly explained that being in the nursing field, when you have Medicare, you also receive CT Care or Blue Cross as a supplement for what the other coverage doesn't pay for and this results in the recipient being fully covered.

**** COUNCIL MEMBER PAOLETTO MOVED TO APPROVE**

**** CO-CHAIR DeJESUS SECONDED**

**** MOTION PASSED UNANIMOUSLY**

***Consent calendar**

ADJOURNED

**** COUNCIL MEMBER PAOLETTO MOVED TO ADJOURN**

**** COUNCIL MEMBER BRANNELLY SECONDED**

**** MOTION PASSED UNANIMOUSLY**

The meeting was adjourned at 7:15 pm.

Respectfully submitted,

Diane Graham

Telesco Secretarial Services